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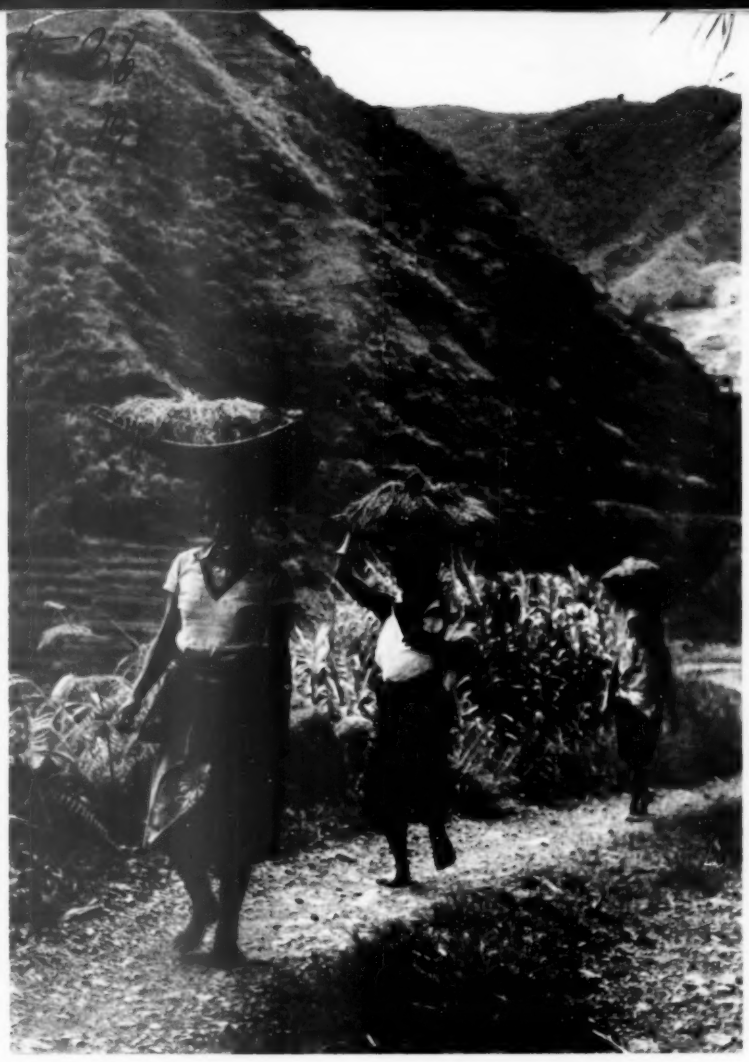

WORLD WHEAT TRADE

BRAZIL'S IMPORTS OF U.S. FRUITS

PHILIPPINE RICE OUTPUT

SEP 18 1967

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

SEPTEMBER 4, 1967
VOLUME V • NUMBER 36

Villagers in the Philippines carry home their harvest of rice. This country hopes to become self-sufficient in production of rice, its basic food crop, by June 30, 1969. See page 7.

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World Wheat Trade Down as Communist Crops Recover

Trade dropped in 1966-67 because of reduced imports by the Soviet Union and much of Europe. Some recovery is seen for this year as concessional sales expand.

By JAMES P. RUDBECK
Grain and Feed Division, FAS

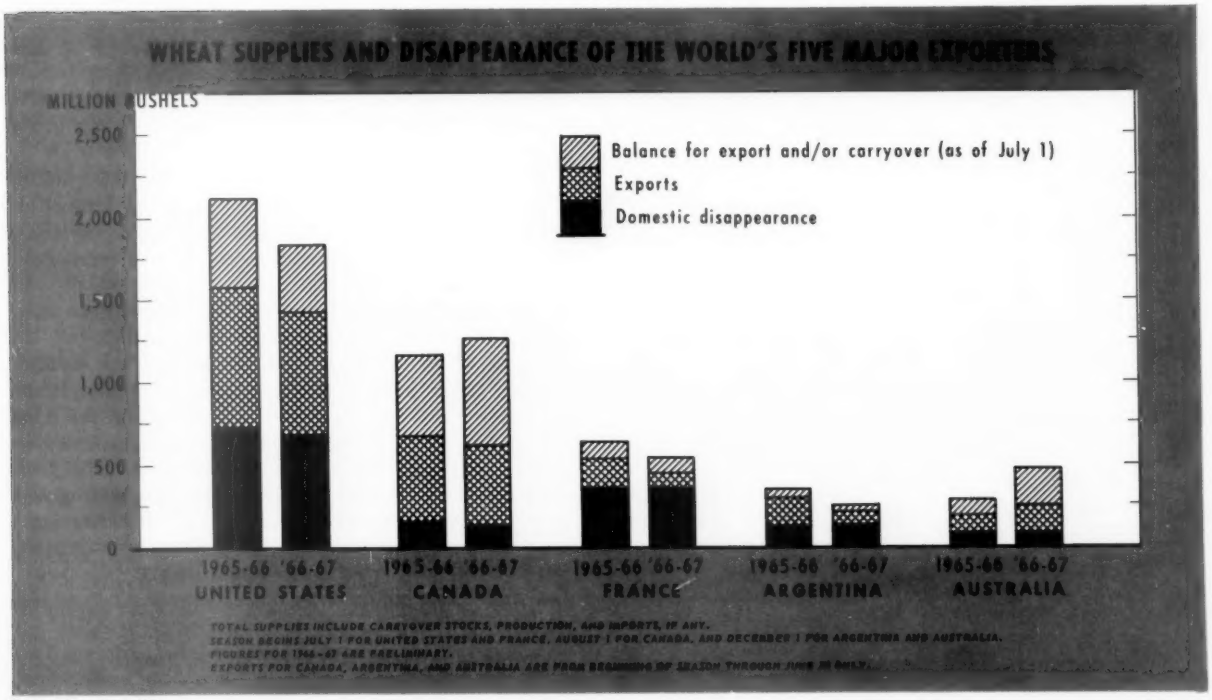
After reaching an unprecedented level in 1965-66, world wheat and flour trade declined by 13 percent to 2,000 million bushels in 1966-67. Trade in the previous year was boosted to 2,297 million by the record purchases of several Communist countries. However, with an alltime high harvest in the Soviet Union and good domestic supplies in Eastern Europe, Communist imports fell to about 475 million bushels from 790 million.

Free World commercial trade, including barter, was at a record 1,130 million bushels in 1966-67. This was 18 percent above 1965-66 trade and represented the second consecutive increase after a fairly stable level of about 870 million bushels for several years. Concessional sales dropped from the approximate 550 million bushels of 1965-66.

Imports of wheat and flour by the major dollar areas of Western Europe and Japan declined about 6 percent from 610 million bushels in 1965-66. Although wheat production in the European Economic Community was down 13 percent, most of the drop was in France, and total EEC imports of wheat declined by nearly 10 percent to about 170 million bushels. U.K. imports were off by 9 percent from the 172 million bushels of 1965-66, reflecting increased domestic production and lower consumption, particularly of feed wheat. Yugoslavia's purchases dropped by one-third to about 17 million bushels as production advanced 42 million bushels. Among countries of Western Europe, only Portugal showed a significant increase in wheat imports during 1966-67. Japan's imports rose along with consumption, moving from 130 million bushels in 1965-66 to about 155 million.

The north African countries of Algeria, Morocco, and Tunisia doubled their wheat imports from the 33 million bushels of 1965-66 as drought reduced domestic production. India's imports were off, reflecting larger receipts of coarse grains, while Pakistan's increased by about 25 million bushels from 40 million in 1965-66. Latin America as a whole increased its imports by about 7 percent, with Brazil showing the biggest gain.

Of the major wheat exporters, only Australia shipped out more wheat in 1966-67, while Canadian



sales held constant and those from the United States, Argentina, and France declined. Sales by the Soviet Union, Bulgaria, Romania, Greece, and Spain all advanced.

The total U.S. outgo of wheat and flour was 742 million bushels, down 14 percent from the record level of 1964-65. Commercial exports, including barter, reached a new high of 450 million bushels—up over 100 million from those of the previous year—as a result of larger sales to Japan, north Africa, and South America.

Canadian sales, on a fiscal year basis, held close to the 543-million-bushel level of 1965-66. Although shipments to Communist countries and Europe were smaller, those to Japan, Pakistan, South Africa, India, Algeria, and Turkey advanced. On a Canadian crop year basis (Aug.-July), exports show a loss of about 60 million bushels, reflecting a decline of 90 million in sales to Communist countries.

Australian exports were up 15 percent, with about one-third going to Mainland China. By shipping on bulk carriers, Australia was able to increase its sales to Europe. Shipments to India and Pakistan were also larger, and new markets were opened up in Latin America.

Argentina's exports fell to 115 million bushels from the record 292 million of 1965-66. A moderately smaller harvest and lower carryin stocks greatly reduced export availability.

Exports from France totaled only 111 million bushels, down from a record 177 million in 1965-66. One-third of the total went to the Soviet Union and countries in Eastern Europe. Sales to other EEC countries declined.

The Soviet Union's exports increased from the 80 million bushels of 1965-66, with more wheat moving to Poland, Czechoslovakia, East Germany, Algeria, the United Arab Republic, and India. Some small lots of Soviet wheat were also sold in Western Europe. Spain's shipments were pulled up by sales to Portugal and the United Arab Republic. Wheat from Bulgaria and Romania moved to the United Kingdom, several countries in the Middle East, and Brazil.

Prices hold strong

Despite the decline in imports by the Soviet Union and Eastern Europe, export prices remained at relatively high levels throughout the year because of the tighter supply situation, particularly in the United States. Prices took a sharp upturn in the summer and again in the late fall of 1966, with Canadian Manitoba No. 1 at Lakehead gaining 8 cents per bushel between May and December. During the same period, the Gulf net export price for U.S. Hard Winter Ordinary increased 24 cents.

Prices have eased slightly since January of this year. The price of Manitoba went down 3 cents through June and that of Hard Winter Ordinary from the United States declined 5 cents.

Expansion forecast for 1967-68

Current indications point to an increase of possibly 5 percent in world wheat and flour trade in 1967-68. Concessional shipments will expand, while Free World commercial trade is expected to stay close to last year's high. Imports by the Soviet Union and Eastern Europe will probably be close to the 1966-67 level, and Mainland China's needs should remain large.

Imports by Japan are expected to increase because of expanded domestic consumption. In the United Kingdom, production advances will cut needs for the second consecutive year. Although production will be up in north Africa, import needs will remain high because current estimates are still for below-average crops. Imports by India and Pakistan may also exceed last year's levels, and South America's purchases are expected to increase moderately.

The supply side of the 1967-68 wheat picture is highlighted by an increase in export availabilities. Supplies available for export and/or carryover in the five major exporting countries—the United States, Canada, Australia, Argentina, and France—on July 1 this year were about 120 million bushels above those of the same date last year in spite of a 109-million-bushel decrease in U.S. ending stocks. Canadian and Australian supplies were 145 million and 140 million bushels higher, respectively, because of record production in 1966. With the exception of Canada, current indications point to excellent harvests in the major exporting countries, and aggregate output will be about equal to the 3,265 million bushels produced in 1966.

Outlook for major exporters

The current production outlook in Canada is not favorable. However, the country's export potential will probably not be affected by a below-average crop, since carryover stocks on July 31 were at a 6-year high of 590 million bushels and domestic requirements are only about 150 million.

Australia's supplies available for export and/or carryover were indicated at 230 million bushels on July 1, more than double those of the previous year. With stocks at this level, Australian exports can easily keep up their record pace until November's harvest. The Australian Wheat Board recently announced that 277 million bushels from the 1966 crop had been sold for export. With prospects for another good harvest and the sizable increase in carryover stocks, the country could have record supplies available for export again in 1967-68.

Argentina banned exports of bread wheat last June because of high domestic prices resulting from low supplies. This ban will likely remain in effect until after the November harvest. If weather conditions permit a good harvest from this year's acreage—10 percent above last year's—Argentina will become a major competitive factor in the second half of 1967-68.

The latest French estimate points to a 70-million-bushel rise in production, consequently increasing exportable supplies. Because of little likelihood that France will repeat its large 1966-67 sales to the Soviet Union, French competition could intensify. On the other hand, the removal of intra-EEC trade barriers on July 1 could keep more French wheat in the EEC for use as feed.

Among other countries, Spain and Sweden are expected to have larger supplies available for export. The Soviet Union's exports will depend on the level of the 1967 harvest and the desire to continue holding stocks apparently accumulated during the 1966-67 season. Romania and Bulgaria will probably again have surpluses for export.

For details on the 1967 world wheat harvest, expected to be at a near-record level, see Foreign Agriculture, *July 31, 1967. A graphic look at world wheat trade during the 1960's, which the above article brings up to date, was published in the issue of September 26, 1966.*

Australia Planning To Grow Grain Sorghum for Export to Japan

A growing Japanese market for grain sorghum has spurred interest in elevating this crop from a minor to a major one in Australia, whose exporters believe they can ship the grain to Japan at lower prices than can U.S. suppliers. Reportedly, Japanese importers are willing to buy a million tons of Australian sorghum annually, which at current prices would add $56 million to Australia's foreign exchange account.

To supply the potential Japanese market, a sharp increase in sorghum plantings is expected in New South Wales and Queensland during the coming season, an action that would have an immediate impact on export availability of the crop. In addition, long-term development schemes for sorghum production are being proposed for the Tipperary area in the Northern Territory and the Ord River irrigation scheme in Western Australia. Farmers in relatively underdeveloped sections, particularly in the Ord River area, may find growing grain sorghum a lucrative alternative to cotton.

Guaranteed price offered

The increased plantings in New South Wales should come as a direct result of actions by Australian Fertilizers, Ltd. In conjunction with a Japanese company, AFL has guaranteed sorghum producers in this State $45.92 per long ton, f.o.b. Sydney, for all grain produced. Growers who take out contracts under this plan will be permitted to retain 50 percent of the crop for sale on the local market should domestic prices be higher than AFL's purchase price.

AFL's offer should be especially attractive to growers in irrigation districts, who, with proper fertilization, can achieve high yields. Consequently, the company is concentrating its efforts in these areas and plans to hold 2-day seminars to interest growers in the scheme and instruct them in the latest production techniques. New South Wales farmers using irrigation are expected to achieve yields of approximately 3 long tons per acre, which would give a gross margin of profit of about $68.32 per acre on the export crop.

The company will also provide a team of field advisers to assist growers with technical problems. As an additional export incentive, AFL has negotiated a 12½-percent freight-rate reduction with the New South Wales Railways.

Plans for Tipperary, Ord River

The longer term sorghum projects in the Tipperary and Ord River areas are still in the planning stages. If the Northern Territory's Legislative Council amends the present land regulations to permit cropping on pastures and their breakup into share farms, the scheme can be launched this summer (November or December). Plans call for an initial seeding of 12,000 acres the first year and a total of 192,000 by the fifth year. Over $5 million will be spent on the project during the first 2 years and a total of over $20 million in 5 years.

A number of risks are involved in the Tipperary scheme. Soils in the area erode easily and require much care and large doses of nitrogenous fertilizers and superphosphate. Since the crop will be dryland, seeding will be limited to about 5 days during the brief wet season; this will be a formidable task when acreage reaches the proposed maximum. Yields are expected to be much lower than those in New South Wales. Consequently, projected returns are also lower.

In the Ord River irrigation scheme, sorghum is being looked upon as a profitable alternative to cotton, which occupies most of the irrigated land in the area. Some say it could prove more profitable than cotton because it is cheaper to grow, easier to harvest, and can yield as many as three crops per year. If the export market proves as profitable as anticipated, grain sorghum could be rotated with cotton in the area or possibly grown in conjunction with it.

Farmers in the Ord River irrigation scheme could plant 1,000 acres to sorghum in the coming season, according to one local producer. However, their willingness to move away from cotton and invest in the new equipment necessary for sorghums could depend upon whether the second stage of the scheme—involving a more than $70-million irrigation complex—is completed. If the crop is to be exported, substantial capital investment in handling equipment and port facilities for bulk shipment would also be required. Since provision of funds and subsequent construction will take time, there are no prospects for exports from this area in the immediate future.

Sorghum compares poorly with wheat

The prospects of a profitable market in Japan could thus mean that grain sorghum will be elevated from its tourist-class status among Australian grain crops. Compared with last season's 462-million-bushel wheat crop, the 11.8 million bushels of grain sorghum harvested were a mere drop in the bucket. Comparing progress in yields of wheat and sorghum, the latter also falls down. Since World War II, wheat yields have climbed steadily, while increases for sorghum during the same period are hardly evident. Some higher yielding hybrid varieties have been introduced, but little research has otherwise been invested in improved growing methods.

All this could change now that Japan's growing poultry and livestock industries have shown an interest in buying from Australia. If satisfactory export prices are received, sorghum could approach a near par with wheat for farmers in Australia's warmer areas where both are grown on dry land. In irrigated areas, the prospect of more than one crop per year means that farmers can provide a constant supply.

Australian grain sorghum moving into Japan would be in direct competition with that from the United States, Japan's leading supplier of feedgrains. Several factors seem to lean in Australia's favor.

For one, Japan seems to be trying to diversify the sources of its agricultural imports, a tremendous portion of which come from the United States. Also, one Australian source has claimed that Australian sorghum is better suited to the needs of the Japanese poultry industry—the major user of feedgrains in the country—because American varieties give egg yolks a yellow color not favored by Japanese consumers.

—Based on material supplied by FRED M. LEGE III
U.S. Agricultural Attaché, Canberra

Brazilian Tariff Cut on Fruit Imports Brings Bigger U.S. Sales

By ROBERT W. JOHNSON
Assistant U.S. Agricultural Attaché
Rio de Janeiro

Brazil's imports of U.S. deciduous fruits jumped almost 850 percent in the last half of 1966, compared with the same period of 1965, as a direct result of a 70-percent cut in tariffs on fruits from countries outside the Latin American Free Trade Association (LAFTA). Proclaimed in July 1966, the reduction cut the tariff to 40 percent. Most fruits from LAFTA countries enter duty free.

Prospects for larger U.S. sales improved further last February when Brazil cut its tariffs on all imports by 20 percent to compensate for the 23-percent increase in the cost of foreign exchange brought on by devaluation of the cruzeiro. Although this reduction will probably not help U.S. fruits in 1967 because of an excellent crop in Argentina—Brazil's chief supplier—it should have an impact in the future.

Sales could expand further

The outlook would improve even more if the tariff on non-LAFTA fruit were reduced further. Such a reduction is distinctly possible, since domestic production of most fruits imported from the United States is low and this fruit is generally unavailable from preferential suppliers during the latter part of the year.

Brazil imported $882,000 in U.S. fruits in July-December 1966, up from $104,000 worth in the last half of 1965, despite the 40-percent tariff and much higher transportation costs than those from Argentina. U.S. fruits accounted for 8.2 percent of Brazil's total fruit imports, excluding melons, in the later period, against 1.3 percent a year earlier. For fresh fruits, the U.S. share rose from 0.6 to 7.6 percent and for dried fruits from 3.7 to 10.3 percent.

Apples accounted for the largest increase in imports of U.S. fruits. From none in the last half of 1965, imports rose to a value of $314,000 in the same period of 1966. Pear imports rose in value from $15,000 to $236,000, raisins from $1,000 to $135,000, and grapes from $13,000 to $82,000. Although apples ranked as the number one U.S. fruit moving to Brazil, their share of Brazil's total apple imports amounted to only 4.6 percent during the last half of 1966. Among other fruits, the United States supplied 100 percent of the damsons, 80.9 percent of the dates, and 25.1 percent of the pears.

Total fruit imports rise

The same tariff reduction that secured a bigger share of the Brazilian market for U.S. fruits also helped to bring about an increase in the country's total fruit imports. From $8,891,000 in the last half of 1965, the value of these rose to $10,775,000 in the same period of 1966. Most of Brazil's fresh-fruit imports consist of apples from Argentina, the United States, and Canada; pears from Argentina and the United States; and grapes from Spain, Argentina, the United States, Greece, and Portugal. Among dried fruits, Brazil's main imports are prunes from Argentina and Chile, raisins from Argentina and the United States, and figs from Turkey and Greece.

Among the chief beneficiaries of the tariff reduction are Brazil's consumers, who can have fresh fruit at reasonable prices from Northern

BRAZIL'S IMPORTS OF FRESH AND DRIED FRUITS[1]

Product and source	July-Dec. 1965	July-Dec. 1966
FRESH FRUIT	*1,000 U.S. dol.*[2]	*1,000 U.S. dol.*[2]
Apples:		
Argentina	5,526	6,308
Canada	.....	247
Greece	1	7
Uruguay	7	.....
United States	.....	314
Total	5,534	6,876
Pears:		
Argentina	253	686
Canada	.....	20
England[3]	.....	.....
United States	15	236
Total	268	942
Grapes:		
Argentina	27	170
Chile[3]	.....	.....
Greece	14	60
Mexico[3]	.....	.....
Portugal	6	22
Spain	20	185
United States	13	82
Total	80	525
Plums:		
Argentina	32	48
United States	2	7
Total	34	55
Cherries:		
Argentina	65	41
Spain	.....	5
Total	65	46
Damsons:		
United States	4	4
Total	4	4
All fresh fruit:		
United States	34	643
Other	5,951	7,805
Total	5,985	8,448
DRIED FRUIT		
Prunes:		
Argentina	653	612
Chile	125	318
Japan	(4)	(4)
Spain	1	.....
Uruguay	.....	15
United States	.....	27
Total	779	972
Damsons:		
Argentina	37	28
Chile	.....	.....
Spain	.....	48
United States	.....	5
Total	37	82
Figs:		
Greece	200	107
Italy	4	4
Portugal	18	35
Spain	49	32
Turkey	.....	107
Total	271	285
Dates:		
Algeria	.....	6
France	4	2
Spain	9	7
United Kingdom	2	2
United States	69	72
Total	84	89
Raisins:		
Argentina	602	586
Chile	52	.....
Greece	2	31
Mexico	78	31
South Africa	.....	14
Spain	.....	26
Turkey	.....	76
United States	1	135
Total	735	899
All dried fruit:		
United States	70	239
Other	1,836	2,088
Total	1,906	2,327
All fruit:		
United States	104	882
Other	7,787	9,893
Total	7,891	10,775

[1]Excluding melons, preserved and candied fruits, jellies, and pastes. [2]c.i.f. [3]Imports only in first half of year. [4]Less than $500.

Hemisphere countries during the Southern Hemisphere's off season. The price of imported fruit has fallen almost continuously since the tariff cut. For example, a fresh apple sold by a street vendor for 25 cents in July 1966 went for 7 cents in June 1967. A large part of this reduction, however, resulted from a very large Argentine crop and consequent low prices.

Brazilian fruit vendor, above, sells both domestic and imported produce, including American and Portuguese grapes. Right, buyer examines pears from the United States and apples and pears from Argentina at the São Paulo City Wholesale Produce Market.

Philippines Progressing Toward Self-Sufficiency in Rice Output

The Philippine Government has set up a target of June 30, 1969, for achieving self-sufficiency in production of rice, the nation's major food crop. Progress during the current season will be a major indicator of whether this goal will be met.

This year for the first time, ample supplies of the new IR-8 seed were available for planting a large portion of the crop. The Rice and Corn Administration (RCA) predicts that 617,750 acres of this and another improved variety, BPI-76, will be planted in 1967-68 in the 12 Provinces that are receiving highest priority in the rice production drive. According to RCA estimates, the acreage will increase to 1,111,950 in 1968-69 and 1,853,250 in 1969-70. If these estimates prove correct and other necessary inputs—fertilizer, pesticides, irrigation, improved farming methods—are applied, the country could be self-sufficient in rice by the target date.

To meet the target date, the Philippines will also have to increase rice production by 6 percent in the current crop year and another 12 percent in 1968-69. Prospects appear good this year for a much larger crop—probably by about the hoped-for 6 percent—than last year's 4,165,000 metric tons of rough rice, barring adverse weather. This output, however, will be short of total consumption requirements by about 7 percent, and imports will still be needed.

Imports of rice during 1966-67 totaled 213,810 metric tons, milled basis, or 329,425 tons, rough basis. In June-December 1966, imports of 108,010 tons of milled rice came from Thailand, 46 percent; Burma, 29 percent; Egypt, 16 percent; and Taiwan, 9 percent. Imports in the first half of 1967, at 105,800 tons, milled basis, were from Thailand, 30 percent; Egypt, 26 percent; Burma, 19 percent; Cambodia, 14 percent; and Venezuela, 11 percent.

Rice imports during the 1967-68 season are expected to total 271,258 metric tons, milled basis. This figure actually represents anticipated imports during July-December 1967. Should imports be needed at all in calendar year 1968, they are expected to arrive in the second half of the year.

The Philippines imported no rice from the United States during 1966-67. This picture changed with the advent of the new marketing year as 27,900 tons of U.S. milled rice arrived at Philippine ports on July 17 and 21.

Prices during 1966-67 were substantially higher than in the previous year. At the height of the main harvest in November and December, prices received by farmers dropped, but they increased again in January. Government threats to seize hoarded stocks, plus announcements of large imports, helped to level off prices in February and March.

The generally firm rice market during 1966-67 resulted mainly from lack of buffer stocks in government hands. RCA was unable to acquire sufficient stocks from domestic production because prices for palay were generally above the support price after RCA entered the market.

Prices are expected to remain high until the start of the next major harvest in October. However, distribution of imported stocks is expected to keep them from rising much above current levels. Prospects for a stabilized rice market during 1967-68 have improved since the government plans to start its buying operations earlier this crop year. On July 26, the Philippine Exchange Company (PEC), a subsidiary of the Philippine National Bank, announced it had earmarked $4.4 million for initial palay purchases during the crop year. Buying operations will be concentrated in the Provinces of Mindanao and Visayan to complement the RCA's operations, which are largely in Luzon.

One town's experience

Commercial Rabbit Production Increases Use of Feeds in Italy

Among the many projects supported by U.S. Feed Grains Council in Italy—a large market for American feedgrains—one in the small town of Vignola stands out for its uniqueness and its contribution to the economic welfare of the area. Farmers there have transformed rabbit raising from a small-scale sideline into a thriving commercial enterprise using increasing amounts of special feeds.

The Vignola experience with commercial rabbit production is being duplicated in other parts of the country. Although reliable statistics on production are not available, the rapid increase in sales of rabbit formula feed testifies to the spread of the industry. Sales rose from an estimated 1,000 tons in 1960 to 45,000 in 1966. These feeds typically consist of 50 percent grain and wheat bran, 10 percent soybean meal, 30 percent alfalfa meal, and other supplements.

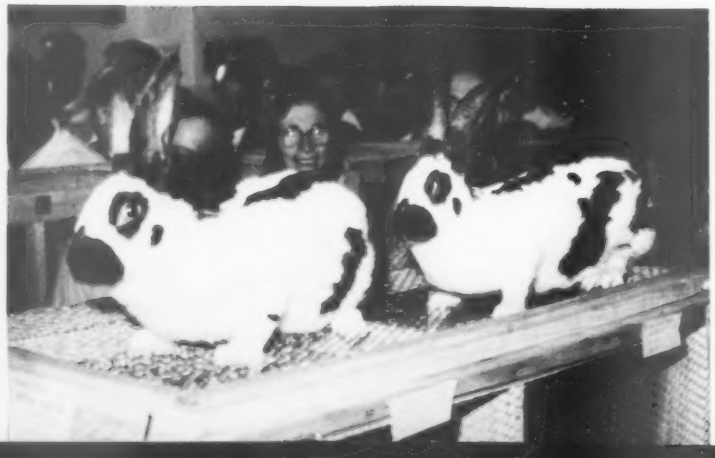
The Vignola rabbit project began in 1963 as one of many livestock feeding trials conducted throughout Italy by USFGC in cooperation with the National Federation of 3-P Clubs, similar to American 4-H Clubs except that members are mostly adult farmers aged 20 to 30. USFGC's support in Vignola has been financial and supervisory, with technical assistance coming from a local livestock specialist, Dr. Stefano Sereni.

Before the project got underway, livestock production in Vignola was limited to a few animals on individual farms. The town, located in the southern part of the Po Valley between Bologna and Modena, was—and still is—known chiefly for its cherries and other fruit and vegetable crops. As in most fruit producing areas, farm work is largely seasonal, moving from peak periods in summer to troughs in winter. It was largely to stabilize the farm labor situation that the local 3-P Club, under Dr. Sereni's leadership, decided to experiment with commercial livestock production. In view of favorable prices, relatively strong demand, and good meat-production potential, they chose rabbits.

Commercial rabbit production under traditional conditions is not a profitable business because of high disease incidence and mortality. Therefore, the group decided to make a preliminary study of the technical and economic problems involved in order to establish whether commercial production would be feasible in Vignola. In 15 projects, club members compared common and improved breeds and studied various breeding and feeding techniques, cage size and design, labor requirements, and disease control. This project was carried out on individual farms.

Next, the club established a single production center to serve as a model for future commercial operations. Here, the economic, technical, and practical aspects of commercial rabbit production could be studied on a larger scale. Aims were high: to reach a production of 220 pounds, live weight, per breeding doe annually at a conversion rate of 3 to 3.5 pounds of feed per pound of gain; to study the most efficient methods of disease control; to reduce labor to the very minimum; to determine the optimum economical size for a commercial operation.

Clockwise from right: California rabbits in the Vignola breeding center; prizewinning rabbits at interregional show; Vignola 3-P Club member with easy-to-handle cages developed by club.



Reports on the Vignola project were presented at all major conventions on rabbit production, and its 3-P Club was instrumental in creating the National Association of Italian Rabbit Producers and Breeders. On the basis of the Vignola experience, bylaws were drawn up for the National Meat Rabbit Contest, which was held for the first time in Italy last year.

Today, Vignola has several commercial rabbit farms, each with from 50 to 100 breeding rabbits. The 3-P Club is encouraging more farmers to take up rabbit production on a commercial scale. To stimulate this development, a demonstration farm was set up and several studies conducted to show the advantages of modern production methods over traditional ones. USFGC is continuing its financial support of the farm during the current fiscal year so that feeding trials may go on and technical data may be disseminated to farmers.

The following table summarizes the results of studies carried out at the demonstration farm:

	Traditional operation	Commercial operation		
		A	B	C
Number of doe	8.0	60.0	50.0	350.0
Pounds of meat produced in 365 days	460.8	10,582.1	8,454.6	51,697.9
Pounds of meat per doe	57.5	176.4	169.1	147.7
Mortality percentage	50.0	9.0	12.6	15.0
Production cost, in cents, per pound of meat	85.9	30.0	33.1	32.7
Pounds of feed per pound of weight gain	15.3	3.8	4.2	2.8

Vignola rabbits are now well known throughout Italy and often command higher prices than those in other areas. The town also boasts new business enterprises as a direct result of the 3-P Club project. When the project began, feed had to be brought in from other parts of the country. Now, at least 10 dealers carry rabbit feed, and a local mill is producing it in pelleted form. A local equipment firm is manufacturing a new type of wire cage that cuts substantially the labor required in cleaning and feeding.

Vignola rabbit producers are now looking forward to further development of their industry, including collective buying of feed, collective marketing, and construction of a cooperative slaughterhouse. —ROMANO GRAZIANI

U.S. Feed Grains Council, Rome

Central African Republic's Four-Year Plan

Agriculture has been earmarked for top priority in the Central African Republic's first Four-Year Plan (1967-70). Of a total projected investment of $149 million, farm development will receive 40 percent, industry 23 percent, and research 9 percent. The remainder will be spent on infrastructure, social welfare, and administration.

Foreign aid, primarily from France and the European Economic Community, will make up about two-thirds of the necessary funds, and the Republic will also seek private investment from abroad. The central government and domestic private investors will contribute the rest.

The Plan calls for a 40-percent increase in total gross national product by 1970. By then, commercial production is expected to make up 75 percent of GNP. Exports are to increase greatly, and imports only slightly.

Netherlands Rice Imports Up in 1966

As a consequence of reduced carryin stocks and anticipated higher prices for rice on the world market, imports of rice into the Netherlands in calendar year 1966 were considerably higher than in 1965. Increased amounts were imported primarily to build up stocks prior to anticipated rises in both the threshold and world market prices.

The preference for cargo rice imports, due to a special rebate granted on the import levies for such rice, was highly accelerated in 1966, and imports rose by almost 90 percent from the low level of 1965. Furthermore, imports of fully milled rice for domestic consumption almost doubled. Over half the rice was from the United States.

The U.S. share of total Dutch rice imports in 1966 reached an alltime high of 36 percent. Imports from Communist China also increased. Total imports of rice (all types) in 1966 amounted to 103,800 metric tons, about 25 percent above the low imports in 1965 and the highest since 1960. While the biggest increase again occurred in cargo rice imports, imports of broken rice were off by about 26 percent.

In view of high carryout stocks and present high prices, some reduction in rice imports during 1967 could be anticipated. However, a further increase in imports of cargo rice for remilling and possible sale abroad is expected.

Exports of wholly milled rice, at 16,000 tons, approximate the 1965 level.

Bulletin on Financing Livestock Exports

The United States has established a sizable export market for high quality breeding stock, and future sales appear promising as more and more developing countries seek stock to improve their herds. Lack of export financing has been the most important obstacle to sales increases. Whom to contact and how to apply for export financing is the subject of *Financing Livestock Exports* by Harlan J. Dirks of the Livestock and Meat Products Division, FAS.

"Many of the developing countries that need our stock cannot be penetrated without credit," Dr. Dirks points out. "In many foreign countries, not only is credit hard to get, but also interest rates are extremely high, sometimes as high as 24 to 36 percent per year." His report examines both American and international institutions which may aid in financing exports to these countries.

U.S. financial institutions engaged in extended credit for American exports include the Export-Import Bank, the Foreign Credit Insurance Corporation, commercial banks, the Agency for International Development, and private export merchants. In determining whether to extend credit, these institutions examine each case on its own merits. Therefore, negotiations for a loan should be started well in advance of the time that credit is needed.

International institutions include the World Bank Group —the International Finance Corporation, the International Development Association, and the World Bank itself—and the Inter-American Development Bank. Loans made by these agencies for livestock development are an indirect source of export credit since the loans are made directly to foreign governments, which in turn make subloans to private borrowers.

For copies of *Financing Livestock Exports*, write for FAS-M 190, Room 5918-S, USDA, Washington, D. C.

U.S. Flue-Cured, Burley Exports Rise

U.S. exports of flue-cured tobacco in fiscal 1967 totaled 481.6 million pounds (export weight), compared with 349.5 million in fiscal 1966. This was an increase of 37.8 percent. Major markets for flue-cured in fiscal 1967, in order of importance, were the United Kingdom, West Germany, Japan, the Netherlands, Thailand, Australia, Belgium-Luxembourg, Ireland, and Denmark.

Burley exports also rose this past fiscal year, to 50.9 million pounds, compared with 47.4 million in fiscal 1966. Principal foreign outlets for burley in fiscal 1967 included West Germany, Sweden, Thailand, the Netherlands, and Denmark.

U.S. EXPORTS OF FLUE-CURED AND BURLEY TOBACCO
[Export weight]

Destination	Flue-cured		Burley	
	Fiscal 1966	Fiscal 1967[1]	Fiscal 1966	Fiscal 1967[1]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*
United Kingdom	79.6	119.1	0.2	0.1
Germany, West	65.6	106.3	9.5	15.2
Japan	42.0	40.5	.....	.....
Netherlands	23.1	22.0	1.8	3.0
Thailand	12.2	17.8	2.6	3.7
Australia	14.4	17.3	1.4	0.9
Belgium-Luxembourg	11.2	16.5	2.0	1.4
Ireland	6.9	16.3	.....	.....
Denmark	7.9	14.1	2.0	2.9
Vietnam, South	8.3	12.8	0.2	(2)
Sweden	7.5	10.0	2.4	5.1
Switzerland	5.3	8.2	1.5	2.4
Norway	3.6	6.9	0.7	1.1
Malaysia[3]	7.7	6.9	(2)	.....
Philippines	0.8	5.4	0.6	1.3
New Zealand	3.6	4.9	(2)	0.1
Taiwan	3.4	4.7	0.1	.....
Finland	2.8	4.6	1.0	1.7
Hong Kong	4.4	4.3	1.6	0.7
Spain	1.7	4.2	0.1	.....
Austria	0.7	3.7	0.5	1.0
Egypt	14.3	3.4	5.9	1.3
Congo (Kinshasa)	4.2	3.3	2.0	0.9
France	1.4	2.8	0.9	0.5
Ghana	0.2	2.4	0.1	(2)
Chile	1.9	2.2	1.8	1.4
Others	14.8	21.0	8.5	6.2
Total	349.5	481.6	47.4	50.9

[1]Preliminary; subject to revision. [2]Less than 50,000 pounds.
[3]Includes Singapore.
Bureau of the Census.

U.S. Cigarette Exports Up Slightly

U.S. exports of cigarettes in the first half of calendar 1967 totaled 12,101 million pieces, up 3.2 percent from the 11,726 million shipped out in January-June 1966. The export value was $58.3 million, compared with $54.1 million.

Major foreign markets for U.S. cigarettes this year, in order of importance, were: Hong Kong, Spain, Netherlands Antilles, Paraguay, and Kuwait, each of which took at least 500 million pieces. Hong Kong and Spain, combined, purchased 2,107 million.

U.S. EXPORTS OF CIGARETTES

Destination	January-June			Change, 1967 from 1966
	1965	1966	1967	
	Million pieces	*Million pieces*	*Million pieces*	*Percent*
Hong Kong	1,379.4	1,139.7	1,209.0	+ 6.1
Spain	706.6	954.1	897.8	— 5.9
Netherlands Antilles	677.9	689.3	702.5	+ 1.9
Paraguay	427.6	688.1	677.6	— 1.5
Kuwait	623.7	430.1	574.1	+ 33.5
Germany, West	263.4	365.7	424.4	+ 16.1
Malaysia[1]	646.5	424.1	386.5	— 8.9
Italy	344.2	322.4	382.3	+ 18.6
France	537.4	480.2	372.7	— 22.4
Panama, Republic of	334.9	331.4	337.7	+ 1.9
Morocco	131.2	177.1	330.6	+ 86.7
Ecuador	306.7	277.1	304.7	+ 10.0
Canary Islands	253.4	288.2	300.5	+ 4.3
Australia	262.9	211.3	291.5	+ 38.0
Netherlands	230.0	325.2	290.1	— 10.8
Lebanon	225.6	256.1	264.6	+ 3.3
Japan	225.4	143.5	256.1	+ 78.5
Switzerland	229.2	331.8	238.4	— 28.1
Belgium-Luxembourg	249.0	230.3	231.2	+ .4
Portugal	71.0	54.7	209.8	+283.5
Denmark	202.4	266.1	206.3	— 22.5
United Kingdom	114.3	172.7	200.5	+ 16.1
Philippines	33.3	70.3	160.4	+128.2
Sweden	245.9	181.8	158.3	— 12.9
Canada	141.7	133.3	153.8	+ 15.4
Other	2,514.2	2,781.6	2,539.3	— 8.7
Total	11,377.8	11,726.2	12,100.7	+ 3.2
	1,000 U.S. dol.	*1,000 U.S. dol.*	*1,000 U.S. dol.*	*Percent*
Value	51,865	54,078	58,343	+ 7.9

[1]Includes Singapore.
Bureau of the Census.

Italy Has Another Good Almond Crop

For the fourth year in a row, Italy has avoided the short crop of almonds that normally follows a good crop. The 1967 commercial crop, preliminarily estimated at 45,000 short tons, shelled basis, is 11 percent above average and the largest output since 1961. However, since the very small 1962 crop, annual output has been near or above average because the two main producing regions Puglia and Sicily are in the good phases of the 2-year production cycle. This year Puglia has its expected good crop, and Sicily, which was expected to have a poor crop this year, has a fairly good crop of 14,000 tons.

Italy's almond exports are estimated at 34,500 short tons, shelled basis, for the marketing year ended July 31, 1967. If the estimate is accurate, this would be the highest level of shipments since the record 1961-62 season. West Germany was, as usual, by far the leading market, taking over 40 percent of the total. In the 1967-68 marketing year, exports are forecast at about the same level as during 1966-67.

Italy's commercial consumption of almonds used to range between 4,000 and 8,000 tons, shelled basis, but in the past 2 years consumption has averaged over 10,000 tons. High consumption can be attributed to both the plentiful supplies and the substantial increase in the

Italian standard of living. Consumption during the current season is expected to level off because of a slowdown in economic growth in Italy.

ITALY'S ALMOND SUPPLY AND DISTRIBUTION

Item	Average 1961-65	Annual 1965	1966	1967
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Aug. 1)	4.0	6.0	5.0	3.0
Production	40.5	41.0	42.0	45.0
Imports	.2	.2	.2	.1
Total supply	44.7	47.2	47.2	48.1
Exports	32.3	31.3	34.5	35.0
Domestic disappearance	7.6	10.9	9.7	9.1
Ending stocks (July 31)	4.8	5.0	3.0	4.0
Total distribution	44.7	47.2	47.2	48.1

Finland To Lift Quotas on Farm Products

The Finnish Government has announced plans to liberalize imports of certain agricultural products.

Effective July 1, 1968, the government will lift quantitative restrictions on items from 33 different tariff headings. These include: Frozen vegetables; dried peas and lentils; fresh oranges cleared through customs between January 1 and June 30; fresh quinces; dried currants; fresh cherries, apricots, plums, peaches, and other stone fruit; frozen fruit not containing added sugar, except raspberries, gooseberries, strawberries, and red currants; certain sugar confectioneries; sweetened cocoa powder; block chocolate; table cream and ice cream powders; prepared foods obtained by swelling or roasting of cereals like corn flakes and puffed rice; fruit or fruit peel prepared by sugar (drained, crystallized, or glace); canned asparagus; soups and broths; tomato and other vegetable juices; and prepared baking powders.

U.K. Apple and Pear Output Low

Unofficial estimates of apple and pear production in the United Kingdom predict it will be appreciably smaller than last year's and well below 5-year average. Unusually cold spring weather and May frosts damaged most fruit crops beyond complete recovery. Production of cooking apples is down about 100 percent from the 5-year average with dessert apples down about 30 percent from the same period. Pear output is expected to be about one-third of the 5-year average.

The expected short crop plus complications from the Middle East situation has resulted in a shortage of most fruits in the United Kingdom. With the closing of the Suez Canal, several shiploads of Australian and New Zealand apples were stranded on route to the United Kingdom. The result has been soaring prices with some fruits at double last year's prices.

Philippine Exports of Coconut Products

Registered exports of copra from the Philippines during July 1967 totaled 77,193 long tons, compared with 98,364 last year. Of the total, 21,800 tons moved to the United States, compared with 30,334 in July 1966.

Exports of coconut oil dropped to 22,375 long tons from 33,119 last July. Movements to the United States were 20,275 tons compared with 23,731 a year earlier.

Cumulative Philippine exports of copra and coconut oil during January-July 1967 totaled 390,950 long tons (oil-equivalent basis)—25 percent below the 518,187 tons exported during the same period a year ago.

Desiccated coconut exports were 6,224 short tons in July, with 4,735 tons moving to the United States. In the same month last year, total exports were 5,069 tons, of which 2,549 came to the United States.

Brazil Sets Minimum Prices for Peanut Exports

The Brazilian Government, through CACEX (Foreign Trade Department of the Bank of Brazil), ruled on August 11 that peanut sales for export shall not be below established minimum specifications and export prices.

The basic minimum price for shelled, selected peanuts is US$240.00 per metric ton, f.o.b. The specifications are 60-70 nuts per ounce, red skin, maximum 1 percent broken, 1 percent rancid, 1 percent imperfect and mouldy, and 8 percent moisture. They must be completely free of foreign matter.

The basic minimum price for unshelled, selected peanuts is US$210.00 per metric ton, f.o.b. The specifications are 2-4 nuts per shell; light-colored shell; maximum of 2 percent of shells containing only one nut; 3 percent broken, spotty, or defective shells; 9 percent moisture; and 1 percent foreign matter. All peanuts for export must be shipped in new bags.

Brazil's exports of peanuts during January-June 1967 totaled 13,410 metric tons valued at US$2.95 million, f.o.b., compared with 5,725 tons valued at US$1.29 million exported in the same period in 1966.

Sweden's Rapeseed Crop Sets New Record

Rapeseed production in Sweden in 1967 is estimated to be 256,600 metric tons, based on the official acreage survey of June 30 and the yields survey of July 15. Production this year is 19 percent above the record 1965 crop of 216,200 tons and 73 percent above the 1962-66 average. The increase is attributed to favorable weather during the planting, growing, and harvesting seasons.

RAPESEED PRODUCTION IN SWEDEN

Item	Average 1962-66	1965	1966	1967
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Winter rapeseed	103.7	158.4	54.1	171.3
Spring rapeseed	17.5	21.2	22.4	29.8
Winter turnip rapeseed	24.3	33.5	13.8	48.0
Spring turnip rapeseed	2.7	3.1	4.7	7.5
Total	148.2	216.2	95.0	256.6

Argentine Flaxseed Acreage Down 13 Percent

Area seeded to flaxseed for the 1967-68 crop in Argentina is placed at 1,994,097 acres, according to the first official estimate. This is a decline of 13 percent from last year's seedings and is 36 percent less than the 5-year (1962-66) average.

The Argentine Department of Agriculture stated that the present estimate was conjectural since it had been prepared when seedings were still proceeding in Entre Rios and parts of Buenos Aires and Santa Fe. Acreage declines

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from last year occurred in all Provinces and were attributed to unfavorable weather.

South Africa Revises Corn and Sorghum Output

South Africa's Division of Agricultural Marketing Research has issued revised estimates of 1966-67 corn and grain sorghum production based on reports received at the end of July.

The most recent estimate places the corn crop at 10,320,000 metric tons compared with last year's revised figure of 5,056,000 tons and the previous record of 6,094,000 tons in 1963-64.

The grain sorghum crop is now estimated at 975,000 tons, compared with last season's 345,000 tons and the 1964-65 record of 438,000 tons.

According to a recent report, the 10.3-million-ton crop would leave an exportable surplus of approximately 5.4 million tons. However, because of physical limitations, exports through April 30, 1968, are expected to reach only about 2.5 million tons, the balance carried into the next marketing year. Export availabilities of grain sorghum will amount to about 700,000 tons.

Kenya Exports Corn, Increases Storage Capacity

Kenya's Maize and Produce Board has recently exported 50,000 metric tons of corn from this year's bumper crop and has been accepting offers to purchase another 50,000 tons. In addition to exports, the government has announced that in the coming year it intends to start a feeding program to increase sales of better quality livestock products.

In 1965-66, after two short crops, Kenya imported 190,000 tons of corn from the United States under P.L. 480 to relieve a short supply situation. This year the Board had expected to receive from farmers about 270,000 tons of corn for marketing but has reduced the estimate to 225,000 tons.

The Board has been attempting to increase storage space to accommodate deliveries and has stored some corn under tarpaulins until it can be moved to central storage locations. In September 1966 the Board took over a storage capacity of 226,000 tons (2,488,000 bags of 200 lbs. each). By October 1967, new construction of storage for conventional bags will add a capacity of 57,000 tons. Additional storage for 25,000 tons is held under rental contract, making a total capacity of 308,000 tons. The Board is also constructing two 45,000-ton silo-type storage units, one at Kitale and another at Nakuru.

The Maize and Produce Board has increased its purchases and sales of other commodities. In addition to corn it will handle about 1 million bags of other produce this year, including sorghum, millet, rice, pulses, peanuts, sunflowerseed, castor beans, and cashew nuts.

Spain Grants Subsidy for Sugarbeet Equipment

The Spanish Ministry of Agriculture has announced it will grant subsidies to farmers for sugarbeet planting and harvesting equipment. The subsidies, based on equipment cost at either factory or importer's warehouse with 10 percent added, are as follows:

Types of equipment	Subsidy as percent of equipment cost
	Percent
Toppers	15
Toppers which deposit tops in rows, and toppers which pick up leaves	25
Pullers	15
Mixed equipment (topper and puller)	30
Harvesters	35
Pick-up loaders	20
Single-row precision drills	30
Multiple-row precision drills	35
Thinners	30

The above subsidies may be increased from 5 to 10 percent when applications cover a compatible set of machines with which to rationalize sugarbeet planting and harvesting operations. Equipment purchased by national or regional producer groups or sugar companies for experimentation purposes will be subsidized at as much as 90 percent of its value.

In order to qualify for subsidy, equipment must meet specific conditions: Drills are to operate in rows 18, 20, 24, or 28 inches apart and harvesting equipment and thinners are to operate at the above distances and be able to work on 1, 2, 3, or 6 lines simultaneously.

Subsidized equipment will not be eligible for resale or transfer within 5 years except by special authorization of the Ministry of Agriculture.